SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB

Technical Report:
Tourism Global Survey

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Introduction

The Tourism Products Initiative's Terms of Reference are focused on the need *to increase local content in the development and delivery of activity and hospitality components for international and intra-regional leisure travel in southern Africa*.

Methods used to determine potential and future demand for new tourism product components include historical trend analysis, content analysis, interviews, and the use of expert opinion.

In February and March 2005, more than 50 face-to-face interviews were conducted by the tourism value chain leader with government, trade, NGO, donor, and business leaders in southern Africa. At the same time, a number of guidebooks were also consulted to consider prime and secondary destinations in South Africa, Botswana, Zambia, Mozambique, and Namibia.

In March and April, 2005 and from a number of different sources, a listing of 200 tourism travel businesses was developed, including retail travel agents and Africa specialists, wholesalers, tour operators, and destination management companies from customer-generating regions, including Europe, North America, Asia, and Southern Africa. Of these, 75 were selected for in-depth telephone interviews, which were conducted in April and early May.

Objectives

The interviews and survey sought to answer these questions.

- Where are the emerging demand markets?
- What product needs are recognized but unmet?
- What is the primary southern Africa value proposition?
- Can communities achieve greater benefit from current tourism products?
- Is “culture” a tourism product that can be promoted in southern Africa?

Findings

Where are the emerging demand markets?

Europe will continue to be the leading generating market. The weakened dollar will keep North American sales flat. South America has not yet developed any significant specialists selling southern Africa, although West Africa will gain from new air service from Brazil. Asia will maintain a very small but steady market share.

What product needs are recognized, but unmet?

Authentic cultural experiences and community interactions are prized by travelers but are difficult to organize and deliver. The problems stated are lack of local community leadership, hostility towards white tourists, superior experiences in East Africa, and lack of a revenue model. Contrived cultural encounters are not needed.

What is the primary southern Africa value proposition?

Wildlife viewing will remain southern Africa's primary value proposition, with Botswana the market leader. Value chain leaders do not want this market expanded or "cheapened." This is the most profitable tourism segment of the region. Everything else, from cultural components, Cape Town sightseeing, Mozambique beaches, are secondary, but can be strengthened to provide product differentiation with some cost and pricing elasticity.

Can communities achieve greater benefit from current tourism products?

Yes. Authentic experiences include *organized* study, academic, volunteer, and educational experiences, that may include home stays, visits to schools and clinics, short-term volunteer projects.

High quality B&B and restaurants with authentic cuisine, handicraft merchandising, and village guiding are also in demand along travel corridors and near destinations.

Is "culture" a tourism product that can be promoted in southern Africa?

The demand market is focused on "authentic interactions with local people," whatever the content. Some formal cultural attractions (ceremonial festivals, art, music, dance, and drama) may be viewed as contrived or inauthentic and, as such, have little appeal, but in many places where these practices are indigenous, they have great appeal. And the spontaneous experience that is "unique," "surprising," and "unexpected" is most valued and can be the highlight of a travel experience to southern Africa.

Additional issues to be addressed

The survey informed demand characteristics, but did not address supply to increase local participation in product development for international tourism. Below are several issues that need to be addressed:

1. Are there “hidden assets” for visitor experiences in southern Africa?
   What are they?
   Where are they?
   Are they market-ready?
   In this context, what does “market-ready” mean?

2. What do villages need to do to receive visitors?
   Lodging and restaurants
   B&Bs and home stays
   Organized activities
   Calendared activities
   Open markets and market days
   Unique cuisine
   Crafts markets
   Niche attractions
   Ambassador program
   Marketing assistance

3. What kinds of tourism activity generate community-based income and new jobs?
   Food
   Lodging
   Shopping
   Amusements and attractions
   Guiding services
   Transportation
   Other visitor services

4. What kinds of technical assistance achieves tangible results?
   Micro-loans
   Business planning assistance
   Skills training
   Market research
   Market access
   Cooperatives
   DMO facilitation

5. Is there a tourism market for urban entertainment?

What strategies are being employed by Gauteng/Joburg?
Can Cape Town successes in night life and entertainment be replicated elsewhere?

6. Where and by whom are new products being developed?
   DMO and other tourism promotion agencies
   Donor-funded initiatives
   Tour operators and destination management companies
   Community-based entrepreneurial efforts

7. Who are the market drivers in new product development?
   Press, media and web services
   DMO and other tourism promotion agencies
   Donor-funded initiatives
   Tour operators and destination management companies
   Community-based entrepreneurial efforts

8. How do costs and price effect new product development and deployment?
   How much cost elasticity is in up-market products?
   Are capacity and seasonality problems?
   Is there unmet demand for mid-market products?

9. Where are the emerging destinations?
10. Where are the stable destinations?
11. Where are the destinations in decline?
12. What are the best cultural assets in the region? Are they under-utilized?
13. What are the principal problems in new product development?

Conclusion

While respondents’ answers varied by their position in the supply chain, their generating market, and in categories of response, there was general consensus in the areas of cultural and community tourism.

"Culture is authentic everyday life," remarked a Johannesburg tour operator. “Customers are interested in the ‘local way of life’ " said a London travel agent. “Need more hosting by non-whites,” responded a Chicago wholesaler. From Switzerland: "Culture in Southern Africa will not sell itself." Customers need to be educated.” The most resistant to new ideas in the European demand market was Italy; the most progressive, Great Britain.

This report and the completed 293 abstracts will be posted at satourismproducts.org.

Appendices: Telephone Interview Country Codes and Abstracts

Seventy-five in-depth telephone interviews conducted in April and May, 2005 resulted in 106 pages of notes with a total of more than 2100 responses. These notes were organized to highlight differences and similarities of responses by type of business of the respondent, generating market, and type of response.

The interviewees were guaranteed confidentiality. Each interview was coded by generating market country, and identified by type of business. 293 of the 2100 responses were abstracted, providing a fair interpretation of worldwide demand, problems and opportunities. 70 of these responses are attached herein, organized by category of response. A key to the generating market codes follows the responses.

Type of Business

Specialist Travel Agent
Wholesale Distributor
Tour Operator
Hotel/Lodging
Destination Management Company

Generating Market

Europe
Asia
North America
Southern Africa

Categories of Response

Market
Community
Culture
Price
South Africa

Telephone Interview Country Codes

NUMBER PER REGION	COUNTRY	NUMBER	INTERVIEWS
EUROPE	UK	12	UK-1 to UK-12
	SWITZERLAND	1	CH-1
	ITALY	5	IT-1 to IT-5
	AUSTRIA	3	AT-1 to AT-3
	BELGIUM	2	BE-1 to BE-2
	NETHERLANDS	1	NL-1
	SPAIN	3	ES-1
	GERMANY	4	D-1 to D-4
	TOTAL	31	
ASIA	HONG KONG	2	HK-1 to HK-2
	JAPAN	2	J-1 to J-2
	Australia	1	AU-1
	TOTAL	5	
NORTH AMERICA	USA	10	USA-1 to USA-10
	CANADA	3	CN-1 to CN-3
	MEXICO	0	
	TOTAL	13	
SOUTHERN AFRICA	SOUTH AFRICA	26	SA-1 to SA-26
TOTAL		75	